

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

API NUMBER: 015 23302

Approval Date: 09/20/2018

Expiration Date: 03/20/2020

Directional Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 10 Twp: 5N Rge: 9W

County: CADDO

SPOT LOCATION: ☐ SW ☐ SW ☐ NW ☐ SW

FEET FROM QUARTER: FROM SOUTH FROM WEST

SECTION LINES: 1555 288

Lease Name: ESTES

Well No: 2A-3

Well will be 288 feet from nearest unit or lease boundary.

Operator Name: DAYLIGHT PETROLEUM LLC

Telephone: 3124750869

OTC/OCC Number: 24225 0

DAYLIGHT PETROLEUM LLC
875 N MICHIGAN AVE STE 3707
CHICAGO, IL 60611-1915

WALLACE FAMILY TRUST
P.O. BOX 27861
HOUSTON TX 77227

Formation(s) (Permit Valid for Listed Formations Only):

Name	Depth	Name	Depth
1 MARCHAND	7221	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 399561

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers:

Special Orders:

Total Depth: 7371

Ground Elevation: 1471

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 910

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 4500 Average: 2000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? Y

Wellhead Protection Area? Y

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: RUSH SPRINGS

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 18-35434

H. CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST

DIRECTIONAL HOLE 1

Sec 10 Twp 5N Rge 9W County CADDO

Spot Location of End Point: S2 SW NW SW

Feet From: SOUTH 1/4 Section Line: 1616

Feet From: WEST 1/4 Section Line: 330

Measured Total Depth: 7371

True Vertical Depth: 7221

End Point Location from Lease,

Unit, or Property Line: 330

Additional Surface Owner

Address

City, State, Zip

WALKER OIL & GAS LLC C/O JOYCE 608 STONEMILL BLVD.

YUKON, OK 73099

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Notes:

Category

Description

HYDRAULIC FRACTURING

9/14/2018 - G71 - OCC 165:10-3-10 REQUIRES:

1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCWEB.COM/OG/OGFORMS.HTML; AND,

3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG

PUBLIC WATER SUPPLY WELL

9/14/2018 - G71 - MUSTANG SALOON, 1 PWS/WPA, NE4 9-5N-9W

SPACING - 399561

9/20/2018 - G75 - (UNIT) S2 10-5N-9W
EST EAST CEMENT MARCHAND EOR UNIT FOR MRCD

